

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------|---|-------------------|
| THE NOTICE OF PURCHASED |) | |
| GAS ADJUSTMENT FILING OF |) | CASE NO. 91-127-A |
| B & H GAS COMPANY, INC. |) | |

O R D E R

On January 13, 1992, the Commission issued its Order in Case No. 91-127 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 2, 1992, B & H Gas Company, Inc. ("B & H") filed its quarterly gas cost adjustment ("GCA"), which is to become effective April 1, 1992 and is to remain in effect until July 1, 1992. On March 13, 1992, B & H supplemented its filing with actual adjustment information and a corresponding adjustment to rates.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. B & H's notice of March 2, 1992, as revised by its filing of March 13, 1992, set out certain revisions in rates which B & H proposed to place into effect, said rates being designed to pass on to its customers its wholesale gas cost from its suppliers. B & H's expected gas cost for the quarter beginning April 1, 1992 is \$3.7247 per Mcf.

2. B & H's notice set out no refund adjustment.

3. B & H's filing of March 13, 1992 included an actual adjustment ("AA") in the amount of (3.36) cents per Mcf to return overrecoveries from the six-month period ended December 31, 1991. The total AA, which includes the current adjustment and a previous quarter's adjustment, is 56.69 cents per Mcf.

4. B & H's notice set out no balance adjustment. This adjustment will be unavailable to B & H until the approved actual adjustment has been in effect for 4 quarters.

5. The combined effect of the above adjustments is B & H's gas cost recovery rate ("GCR") in the amount of \$4.2916 per Mcf, which is an increase of 7.10 cents per Mcf from its last approved rates.

6. B & H's adjustment in rates, set out in the Appendix to this Order pursuant to the GCA provisions approved by the Commission in its Order in Case No. 91-127 dated January 13, 1992, is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1992.

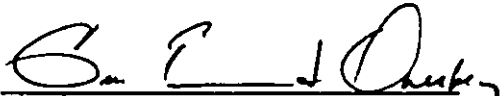
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with service rendered on and after April 1, 1992.

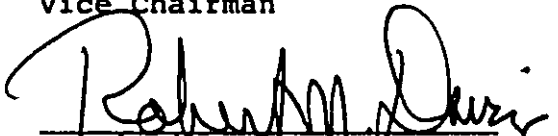
2. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 2nd day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-127-A DATED 4/2/92

The following rates and charges are prescribed for the customers served by B & H Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES:

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|-------------|------------------|---------------------------------------|--------------|
| First 2 Mcf | \$4.7938 | \$8.5832 | \$13.3770 |
| Next 8 Mcf | 1.9788 | 4.2916 | 6.2704 |
| Next 20 Mcf | 1.5611 | 4.2916 | 5.8527 |
| Over 30 Mcf | 1.3103 | 4.2916 | 5.6019 |

A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky West Virginia Gas Company has been discharged or is recalculated.